GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Infrastructure & Investments Department – Andhra Pradesh Maritime Board – Kakinada Seaports Limited (KSPL) – Sale of 41.12% shares held by Kakinada Infrastructure Holdings Private Limited (KIHPL) in favour of M/s. Aurobindo Realty and Infrastructure Private Limited (ARIPL) – Orders – Issued.

INFRASTRCTURE AND INVESTMENTS (PORTS) DEPARTMENT

G.O.MS.No. 17 Dated: 24-12-2020

Read the following:

1) Concession Agreement dated 19-3-1999 and supplementary agreement dated 25-8-2003 and 2nd supplementary agreement dated 28-1-2009.
2) Govt. Letter No.5856/P1/99, T.R&B(Ports) Dept. dated 22.02.2000
3) Govt. Lr.No.674/Ports.1(1)/2008, I&I Department dated 3-6-2008.
4) From KSPL Letter No. KSPL/HO/05122020-01, dated 05-12-2020
5) From CEO, APMB Letter No. 118/APMB/ 2020, dated 10-12-2020.

O R D E R:

The Chief Executive Officer, APMB has submitted that GoAP entered into a Concession Agreement with International Seaports Pvt. Ltd., (ISPL) on 19-3-1999 for operation & maintenance and Management of four shore connected berths at Kakinada Deep Water Port. The company has been successfully operating the port operations for the past 20 years and has been contributing to the GoAP exchequer a revenue of more than Rs.100.00 crores per annum for the past three years as a revenue share as per the terms of the Concession Agreement.

2. He has further submitted that Clause 2.9 of the Concession Agreement specified that the concessionaire should incorporate a Special project Company to execute the project, to which the rights and obligations arising under the concession shall be subrogated. ISPL incorporated a special purpose vehicle in the name of Cocanada Port Company Limited (CPCL) in accordance with clause 2.9 of Concession Agreement and assigned to CPCL all of its rights, title, interest and benefits in and under Concession Agreement, by the Assignment Deed dated April, 2, 1999 executed by ISPL in favour of CPCL. CPCL changed its name to Kakinada Seaports Limited (KSPL) on September 18, 2001 for which fresh certificate of incorporation consequent of the change of name under Section 31 and 44 of the companies Act, 1956 (Central Act 1 of 1956) was issued by Registrar of Companies, Andhra Pradesh, Hyderabad on September 18, 2001. Clause 2.9 of the Concession Agreement also specified that the concessionaire should seek approval of Government on the promoter's share holding pattern of the said SPV.

3. In the reference 3rd read above, Government have approved the following promoter's shareholding pattern for Kakinada Seaports Limited (KSPL).

Promoters of ISPL, through their holding companies Associates & Subsidiaries, associates & Holding Companies	-26%
Promoters of Konsortium, Ports Pvt Ltd, through its and subsidiaries, associates & holding companies.	-26%
FLIs, Infrastructure funds, multilateral agencies & Public	-48%

4. Government have approved the original shareholding pattern for KSPL in the 3rd read above and change in shareholding in the reference 4th read above. Now KSPL have reported that Kakinada Infrastructure Holdings Pvt. Ltd., which is holding 41.12% shareholding in the company proposes to sell its entire shareholding to Aurobindo Realty & Infrastructure Pvt. Limited (ARIPL). ARIPL is a private limited company incorporated on 11th August, 2016 and is engaged in the business of Real Estate, urban and rural infrastructure and mining segment and poised to seize the rapidly growing opportunities in the infrastructure industry.

5. M/s. KSPL have further stated that the Concession Agreement entered into does not envisage any lock-in period for the shareholding held by the shareholders of the company for any particular period nor are there any restraints imposed by any Court or Appropriate Authorities in relation to transfer of shares by any shareholder under any proceedings as on date.

6. The Chief Executive Officer, APMB has examined the matter and recommended to the Government to accept the request of KSPL for sale of 41.12% shareholding held by Kakinada Infrastructure Holdings Private Limited in KSPL to M/s. Aurobindo Realty and Infrastructure Private Limited (ARIPL) in terms of Clause 2.9 of the Concession Agreement entered into between ISPL and Government of Andhra Pradesh. The shareholding pattern of KSPL pre- and post-approval will be as shown below:

Sl. No	Name of the shareholder	Share Holdings			
		Present		Post Approval	
		Number of shares	% Share Holding	Number of shares	% Share Holding
1.	Konsortium Ports Pte Limited	90,93,205	17.35%	90,93,205	17.35%
2.	South India Infrastructure Development Company Pvt. Ltd.	58,33,100	11.13%	58,33,100	11.13%
3.	Kakinada Infrastructure Holdings Private Limited	2,15,50,905	41.12%	--	--
4.	Aurobindo Realty & Infrastructure Pvt. Ltd.	--	--	2,15,50,905	41.12%
5.	VR Investments Pvt Limited	1,59,34,959	30.40%	1,59,34,959	30.40%
6.	Mr. K.V. Rao	20	--	20	--
7.	Mrs. Navatha Karnati	20	--	20	--
8.	Mr. P. Jayadev	20	--	20	--
9.	Ms. K. Shreya	10	--	10	--
10.	Mr. M. Peddabbaye	10	--	10	--
	TOTAL	5,24,12,239	100%	5,24,12,239	100%

7. Government after careful examination of the matter, hereby accord permission to accept the request of Kakinada Seaports Limited (KSPL) for sale of 41.12% shareholding held by Kakinada Infrastructure Holdings Private Limited in Kakinada Seaports Limited (KSPL) to M/s. Aurobindo Realty and Infrastructure Private Limited (ARIPL) in terms of Clause 2.9 of the Concession Agreement entered into between International Seaports Limited (ISPL) and Government of Andhra Pradesh.

8. The Chief Executive Officer, APMB shall take all necessary further action in the matter accordingly.

9. This order issues with the concurrence of Finance Department, vide their U.O.No. FIN01-FMU0MISC/613/2020, dated 18.12.2020.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R. KARIKAL VALAVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Chief Executive Officer, APMB, Kakinada.
The Chairman & Managing Director, KSPL, Kakinada
through CEO, APMB, Kakinada
The Port Officer, Kakinada
Copy to:
The OSD to Secretary to Hon'ble CM
The OSD to Hon'ble M(I&I)
The Finance (Exp.FMU-IIEIC) Department
The GA(Cabinet) Dept.,
The PS to Spl.C.S., I&I Department.

//FORWARDED :: BY ORDER//

SECTION OFFICER